

# Exhibit 11

to Declaration of Neil Anthony Golding  
in Support of Ex Parte Application  
for Discovery Order Pursuant to 28  
U.S.C. § 1782

UK Parliament Acts/I/IH-IN/Insolvency Act 1986 (1986 c 45)/Part XVI Provisions Against Debt Avoidance (England and Wales only) (ss 423-425)/423 Transactions defrauding creditors

## **Part XVI Provisions Against Debt Avoidance (England and Wales only)**

### **423 Transactions defrauding creditors**

(1) This section relates to transactions entered into at an undervalue; and a person enters into such a transaction with another person if—

- (a) he makes a gift to the other person or he otherwise enters into a transaction with the other on terms that provide for him to receive no consideration;
- (b) he enters into a transaction with the other in consideration of marriage [or the formation of a civil partnership]; or
- (c) he enters into a transaction with the other for a consideration the value of which, in money or money's worth, is significantly less than the value, in money or money's worth, of the consideration provided by himself.

(2) Where a person has entered into such a transaction, the court may, if satisfied under the next subsection, make such order as it thinks fit for—

- (a) restoring the position to what it would have been if the transaction had not been entered into, and
- (b) protecting the interests of persons who are victims of the transaction.

(3) In the case of a person entering into such a transaction, an order shall only be made if the court is satisfied that it was entered into by him for the purpose—

- (a) of putting assets beyond the reach of a person who is making, or may at some time make, a claim against him, or
- (b) of otherwise prejudicing the interests of such a person in relation to the claim which he is making or may make.

(4) In this section “the court” means the High Court or—

- (a) if the person entering into the transaction is an individual, any other court which would have jurisdiction in relation to a bankruptcy petition relating to him;
- (b) if that person is a body capable of being wound up under Part IV or V of this Act, any other court having jurisdiction to wind it up.

(5) In relation to a transaction at an undervalue, references here and below to a victim of the transaction are to a person who is, or is capable of being, prejudiced by it; and in the following two sections the person entering into the transaction is referred to as “the debtor”.

### **NOTES**

#### **Derivation**

This section derived from the [Insolvency Act 1986, s 212\(1\), \(3\), \(7\)](#)(in part).

**Initial Commencement*****To be appointed***

To be appointed: this Act shall come into force on the day on which the [Insolvency Act 1985, Pt III](#) comes into force: see s 443.

**Appointment**

Appointment: 29 December 1986 (being the day on which the [Insolvency Act 1985, Pt III](#) came into force): see [SI 1986/1924, art 3](#).

**Extent**

This section does not extend to Scotland: see s 440(2)(c).

**Amendment**

Sub-s (1): in para (b) words “or the formation of a civil partnership” in square brackets inserted by the [Civil Partnership Act 2004, s 261\(1\), Sch 27, para 121](#).

Date in force: 5 December 2005: see [SI 2005/3175, art 2\(2\)](#).

**See Further**

See further: the [Companies Act 1989, ss 165, 182\(4\), Sch 22, para 8](#).

See further, in relation to gifts caught by the [Drug Trafficking Act 1994, section 32](#) of that Act.

See further, in relation to the application of this section, with modifications, in respect of bank insolvency and administration: the [Banking Act 2009, ss 103\(3\), \(4\), Table, 145\(3\), \(4\), Table 2](#).

See further, in relation to the application of this section, with modifications, for the purposes of an authorised bank: the Scottish and Northern Ireland Banknote Regulations 2009, [SI 2009/3056, reg 29, Sch 1, Pt 1, para 2\(a\)](#).

See further, in relation to the application of this section, with modifications, in relation to special administration as in relation to other insolvency proceedings: the Investment Bank Special Administration Regulations 2011, [SI 2011/245, regs 9, 15\(4\)\(b\), \(6\), Table 2, Sch 2, para 6\(2\), \(3\), Table, \(4\)](#).

See further, in relation to the application, with modifications, of this Act to a body which holds a licence issued by the Law Society which is in force under the [Legal Services Act 2007, Part 5: the Legal Services Act 2007](#) (Designation as a Licensing Authority) (No 2) Order 2011, [SI 2011/2866, art 8\(1\), \(2\), Sch 2](#).

See further, in relation to the application of this section, with modifications, for the purposes of the Charitable Incorporated Organisations (Insolvency and Dissolution) Regulations 2012: the Charitable Incorporated Organisations (Insolvency and Dissolution) Regulations 2012, [SI 2012/3013, reg 3, Schedule, para 1\(1\)\(a\), \(f\), \(2\), \(3\), \(7\)](#).

See further: the Industrial and Provident Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014, [SI 2014/229, art 4\(c\), Sch 3](#).

See further in relation to the application, with modifications, of this section in respect of FMI administration: the [Financial Services \(Banking Reform\) Act 2013, s 121\(1\), Sch 6](#).

See further, with modifications, the Smart Meter Communication Licensee Administration (England and Wales) Rules 2020, [SI 2020/629, r 3\(2\)–\(4\)](#).

See further, in relation to the application of this section, with modifications, the Payment and Electronic Money Institution Insolvency Regulations 2021, [SI 2021/716, reg 37](#).

<b>Document information</b>
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Insolvency Act 1986

**Date made**

25/07/1986

(England and Wales only) (ss 423-425)/424 Those who may apply for an order under s 423

#### **424 Those who may apply for an order under s 423**

- (1) An application for an order under section 423 shall not be made in relation to a transaction except—
- (a) in a case where the debtor has been [made] bankrupt or is a body corporate which is being wound up or [is in administration], by the official receiver, by the trustee of the bankrupt's estate or the liquidator or administrator of the body corporate or (with the leave of the court) by a victim of the transaction;
  - (b) in a case where a victim of the transaction is bound by a voluntary arrangement approved under Part I or Part VIII of this Act, by the supervisor of the voluntary arrangement or by any person who (whether or not so bound) is such a victim; or
  - (c) in any other case, by a victim of the transaction.
- (2) An application made under any of the paragraphs of subsection (1) is to be treated as made on behalf of every victim of the transaction.

#### **NOTES**

##### **Derivation**

This section derived from the [Insolvency Act 1986, s 212\(2\)](#).

##### **Initial Commencement**

###### ***To be appointed***

To be appointed: this Act shall come into force on the day on which the [Insolvency Act 1985, Pt III](#) comes into force: see s 443.

##### **Appointment**

Appointment: 29 December 1986 (being the day on which the [Insolvency Act 1985, Pt III](#) came into force): see [SI 1986/1924, art 3](#).

##### **Extent**

This section does not extend to Scotland: see s 440(2)(c).

##### **Amendment**

Sub-s (1): in para (a) word “made” in square brackets substituted by the [Enterprise and Regulatory Reform Act 2013, s 71\(3\)](#), [Sch 19, paras 1, 61](#).

Date in force: 6 April 2016: see [SI 2016/191, art 2](#); for savings see art 3.

Sub-s (1): in para (a) words “is in administration” in square brackets substituted by the [Enterprise Act 2002, s 248\(3\)](#), [Sch 17, paras 9, 36](#).

Date in force: 15 September 2003: see [SI 2003/2093, art 2\(1\)](#), [Sch 1](#); for transitional provisions and effect see art 3(1), (2)(a), (3) thereof and the [Enterprise Act 2002, s 249](#), [Sch 17, para 1](#).

##### **Modification**

By virtue of the Insolvency Rules 1986, [SI 1986/1925, r 13.15](#) (as inserted by SI 2010/686, r 2, Sch 1, para 500), the reference in sub-s (1)(a) above to “leave” of the court shall be construed as a reference to “permission” of the court for the purposes of those Rules.

##### **See Further**

See further, in relation to the application of this section, with modifications, in respect of bank insolvency and administration: the [Banking Act 2009, ss 103\(3\), \(4\)](#), Table, 145(3), (4), Table 2.

See further, in relation to the application of this section, with modifications, in relation to special

administration as in relation to other insolvency proceedings: the Investment Bank Special Administration Regulations 2011, [SI 2011/245, regs 9, 15\(4\)\(b\), \(6\)](#), Table 2, Sch 2, para 6(2), (3), Table, (4).

See further, in relation to the application, with modifications, of this Act to a body which holds a licence issued by the Law Society which is in force under the [Legal Services Act 2007, Part 5](#): the [Legal Services Act 2007](#) (Designation as a Licensing Authority) (No 2) Order 2011, [SI 2011/2866, art 8\(1\), \(2\), Sch 2](#).

See further, in relation to the application of this section, with modifications, for the purposes of the Charitable Incorporated Organisations (Insolvency and Dissolution) Regulations 2012: the Charitable Incorporated Organisations (Insolvency and Dissolution) Regulations 2012, [SI 2012/3013, reg 3](#), Schedule, para 1(1)(a), (f), (2), (3), (7).

See further: the Industrial and Provident Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014, [SI 2014/229, art 4\(c\), Sch 3](#).

See further in relation to the application, with modifications, of this section in respect of FMI administration: the [Financial Services \(Banking Reform\) Act 2013, s 121\(1\), Sch 6](#).

See further, with modifications, the Smart Meter Communication Licensee Administration (England and Wales) Rules 2020, [SI 2020/629, r 3\(2\)–\(4\)](#).

See further, in relation to the application of this section, with modifications, the Payment and Electronic Money Institution Insolvency Regulations 2021, [SI 2021/716, reg 37](#).

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Insolvency Act 1986

**Date made**  
25/07/1986

UK Parliament Acts/I/H-IN/Insolvency Act 1986 (1986 c 45)/Part XVI Provisions Against Debt Avoidance (England and Wales only) (ss 423-425)/425 Provision which may be made by order under s 423

#### **425 Provision which may be made by order under s 423**

(1) Without prejudice to the generality of section 423, an order made under that section with respect to a transaction may (subject as follows)—

- (a) require any property transferred as part of the transaction to be vested in any person, either absolutely or for the benefit of all the persons on whose behalf the application for the order is treated as made;
- (b) require any property to be so vested if it represents, in any person's hands, the application either of the proceeds of sale of property so transferred or of money so transferred;
- (c) release or discharge (in whole or in part) any security given by the debtor;
- (d) require any person to pay to any other person in respect of benefits received from the debtor such sums as the court may direct;
- (e) provide for any surety or guarantor whose obligations to any person were released or discharged (in whole or in part) under the transaction to be under such new or revived obligations as the court thinks appropriate;
- (f) provide for security to be provided for the discharge of any obligation imposed by or arising under

the order, for such an obligation to be charged on any property and for such security or charge to have the same priority as a security or charge released or discharged (in whole or in part) under the transaction.

(2) An order under section 423 may affect the property of, or impose any obligation on, any person whether or not he is the person with whom the debtor entered into the transaction; but such an order—

(a) shall not prejudice any interest in property which was acquired from a person other than the debtor and was acquired in good faith, for value and without notice of the relevant circumstances, or prejudice any interest deriving from such an interest, and

(b) shall not require a person who received a benefit from the transaction in good faith, for value and without notice of the relevant circumstances to pay any sum unless he was a party to the transaction.

(3) For the purposes of this section the relevant circumstances in relation to a transaction are the circumstances by virtue of which an order under section 423 may be made in respect of the transaction.

(4) In this section “security” means any mortgage, charge, lien or other security.

## NOTES

### Derivation

This section derived from the [Insolvency Act 1985, s 212\(4\)–\(6\), \(7\)](#)(in part).

### Initial Commencement

#### *To be appointed*

To be appointed: this Act shall come into force on the day on which the [Insolvency Act 1985, Pt III](#) comes into force: see s 443.

### Appointment

Appointment: 29 December 1986 (being the day on which the [Insolvency Act 1985, Pt III](#) came into force): see [SI 1986/1924, art 3](#).

### Extent

This section does not extend to Scotland: see s 440(2)(c).

### See Further

See further, in relation to the application of this section, with modifications, in respect of bank insolvency and administration: the [Banking Act 2009, ss 103\(3\), \(4\)](#), Table, 145(3), (4), Table 2.

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See further: the Industrial and Provident Societies and Credit Unions (Arrangements, Reconstructions and Administration) Order 2014, [SI 2014/229, art 4\(c\)](#), [Sch 3](#).

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See further, with modifications, the Smart Meter Communication Licensee Administration (England and Wales) Rules 2020, [SI 2020/629, r 3\(2\)–\(4\)](#).

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Insolvency Act 1986

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25/07/1986